## REMARKS

The Specification has been amended. Claims 1, 4, 6 - 7, 15 - 17, and 19 - 20 have been amended. No new matter has been introduced with these amendments, all of which are supported in the specification as originally filed. Claims 5, 8, 11, 14, and 27 - 32 have been cancelled from the application without prejudice. Claims 1 - 4, 6 - 7, 9 - 10, 12 - 13, and 15 - 26 remain in the application.

## Rejection Under 35 U. S. C. §102

Paragraph 4 of the Office Action dated January 8, 2007 (hereinafter, "the Office Action") states that Claims 1 - 32 are rejected under 35 U. S. C. §102(b) as being anticipated by U. S. Patent 6,144,743 to Yamada et al. (hereinafter, "Yamada). Applicants have amended their independent Claims 1, 4, and 19 - 20 to more clearly specify limitations of their claimed invention. This rejection is respectfully traversed with regard to the claims as currently presented, as will now be discussed.

Each of Applicants' independent Claims 1, 4, and 19 - 20 specifies "an encrypted version of conditional logic". See, for example, lines 2 - 3 of Claim 1. Yamada does not teach "conditional logic" nor does Yamada teach "encrypted ... conditional logic". Instead, element 42 of Yamada's Fig. 2 (i.e., the "control information") specifically states that it is non-encrypted. In addition, Fig. 3 illustrates this control information 42, indicating that it comprises bit patterns ranging from a single bit (see 43) to 32 bits (see 50). Bit patterns are not conditional logic (nor

are they "logic" of any type), in contrast to Applicants' claim limitations. See also col. 7, lines 51 - 57, stating that Fig. 3 shows the control information 42, and col. 9, lines 10 - 12, stating that control information 42 "is encapsulated in the encrypted key information 41 ... without any encryption".

Furthermore, Applicants have clarified their independent claims to state that the key distribution information specified therein comprises "at least one key element" (see, for example, line 8 of Claim 1), and have further specified limitations of the key element (see, for example, lines 9 - 15 of Claim 1). Applicants respectfully submit that Yamada does not teach, or suggest, such key elements.

Accordingly, Applicants respectfully submit that their independent Claims 1, 4, and 19 - 20 are patentable over Yamada, and that dependent Claims 2 - 3, 6 - 7, 9 - 10, 12 - 13, 15 - 18, and 21 - 26 are patentable by virtue of (at least) the patentability of the independent claims from which they depend. The Examiner is therefore respectfully requested to withdraw the \$102 rejection.

## II. Conclusion

Applicants respectfully request reconsideration of the pending rejected claims, withdrawal of all presently outstanding rejections, and allowance of all remaining claims at an early date.

Respectfully submitted,

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